

§ 1436.5

7 CFR Ch. XIV (1–1–01 Edition)

bills, invoices, purchase orders, specifications, drawings, plats, or written authorization of ingress and egress.

(b) Producers who authorize actions without an approved loan, do so at their own risk and without creating any liability on behalf of CCC except for producers who between February 2, 2000 and May 11, 2000 took action based on the announcement of the program. Such action may include, but is not limited to, entering into purchase contracts, purchases of materials, taking delivery of parts, site preparation, and construction.

§ 1436.5 Eligible borrowers.

(a) The term “eligible borrower” means any person who, as landowner, landlord, operator, producer, tenant, leaseholder, or sharecropper:

(1) Has a satisfactory credit history, and demonstrates an ability to repay the debt arising under this program;

(2) Has no delinquent Federal debt defined by the Debt Collection Improvement Act of 1996;

(3) Is a producer of a facility loan commodity;

(4) Demonstrates a need for increased storage capacity;

(5) Provides proof of crop insurance from FCIC or a private company;

(6) Is in compliance with USDA provisions for highly erodible land and wetlands conservation according to 7 CFR part 12;

(7) Demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable farm storage facility structures;

(8) Provides proof of flood insurance if CCC determines such insurance is necessary to protect the interests of CCC, and proof of all peril structural insurance, to CCC annually; and

(9) Demonstrates compliance with the National Environmental Policy Act regulations at 40 CFR, parts 1500 through 1508.

(b) [Reserved]

§ 1436.6 Eligible storage facilities for handling equipment.

(a) Loans may be made only for the purchase and installation of eligible storage facilities and permanently affixed drying and handling equipment, or for the remodeling of existing stor-

age facilities or permanently affixed drying and handling equipment as provided in this section. Eligible storage and handling facilities shall include the following:

(1) New conventional-type cribs or bins designed and engineered for whole grain storage and having a useful life of at least 10 years;

(2) Oxygen-limiting and other upright silo-type structures designed for whole grain storage and having a useful life of at least 10 years; and

(3) Flat-type storage structures for which the primary use is to store whole grain.

(b) The calculation of the loan amount may include costs associated with building or improving an eligible storage and handling facility, including:

(1) Permanently affixed grain handling equipment and grain drying equipment, including perforated floors considered to be essential to the proper functioning of the grain storage system;

(2) Safety equipment such as lighting, inside and outside ladders;

(3) Equipment to improve, maintain, or monitor the quality of stored grain, such as cleaners, moisture testers, and heat detectors;

(4) Electrical equipment, including labor and materials for installation, such as lighting, motors, and wiring integral to the proper operation of the grain storage and handling equipment; and

(5) Concrete foundations, aprons, pits, and pads (including site preparation, labor and materials) essential to the proper operation of the grain storage and handling equipment.

(c) Ineligible storage and handling equipment with respect to which no loans for installation or related costs shall be disbursed under this part include:

(1) Portable grain drying equipment and portable augers;

(2) Structures of a temporary nature that require the weight or bulk of the stored commodity to maintain its shape (such as fences or bags);

(3) Structures that are bunker-type, horizontal, or open silos;